

Focus Note No. 11, December 1997

How CGAP Member Donors Fund Micro-finance Institutions

Last Update: April 26, 1999 (Agency Representatives)

This FOCUS Note emanated from CGAP's Secretariat fielding the same questions from numerous micro-finance practitioners worldwide: "How do the Member Donors of CGAP fund micro-finance institutions? What are the structures, funding instruments, procedures and points of entry within each agency?" In an effort to elucidate, the Secretariat interviewed and surveyed CGAP's Member Donors via a mini questionnaire, the results of which are published here as a matrix. The questions asked of each Member Donor were:

- Where in the agency structure does micro-finance fit?
- What countries or geographic regions are priorities for the agency?
- What instruments are provided (grants, loans, equity, etc.) to MFIs?
- What are the procedures for accessing support from the agency?

Structure. Most donors do not have a focal point or a central unit for micro-finance. Of the bilateral agencies, the United States Agency for International Development (USAID) and the Department for International Development (DFID) of the UK are the only ones with central offices for micro-finance, although several are creating similar focal units. Of the regional and multilateral institutions, the Inter-American Development Bank (IDB), the UN Capital Development Fund (UNCDF) and the UN Development Program (UNDP) via the Special Unit for Micro-finance (SUM) office and the African Development Bank's AMINA Program have central units dedicated to micro-finance. The International Fund for Agriculture Development (IFAD), the UN Conference on Trade and Development (UNCTAD), and the International Labour Office (ILO) reported focal points within each regional office at headquarters as well as in the technical divisions. For the remaining agencies, micro-finance is often decentralized and handled through field offices or embassies in the country.

Geographic Focus. While almost all of the bilateral donors work globally, several donors have an emphasis on Africa, such as the Scandinavian donors (Denmark, Finland, Sweden), France (primarily West Africa), and the United Kingdom (DFID). Those with a focus on Asia include AusAID (Australia) and DFID. Aside from the Asian, African, and Inter-American Regional Development Banks which have clear geographic priorities, all the multilateral development institutions work globally. Of these, UNCDF/UNDP gives high priority to Africa with 75 percent of resources targeted for the region.

Instruments. The majority of bilateral agencies provide grants and/or soft loans, and in limited cases, equity to MFIs. Regional and multilateral development banks typically provide loans to governments, although several have opened micro-finance facilities for direct financing of MFIs, such as

UNDP's Micro-Start Program, or the CGAP Secretariat at the World Bank.

Procedures. Several bilateral institutions, such as the Netherlands and Canada, provide funding directly to Southern MFIs by channeling funds largely through Northern NGOs. Yet others, such as Germany and Japan, fund via governments. All of the regional and multilateral development banks fund governments, who in turn pass on funds as grants, loans, etc., to MFIs in that country. The donor's procedures for funding MFIs are often determined at the country level, given the decentralized nature of most of the agencies, or by governments when they are the initial recipient of funds from donors.

Many donor agencies are shaping their micro-finance strategies and procedures and the process is a dynamic one. The information presented here will undoubtedly have changed by the time this FOCUS Note goes to print. The following information ([link to table](#)) was current as of September 1997¹ and all amounts shown are in US dollars.

This FOCUS Note was prepared by Mohini Malhotra and Anne-Marie Chidzero of the CGAP Secretariat.

¹ Luxembourg did not participate in the original survey. (Information for Luxembourg was provided and added to this page on February 18, 1998)

² For additional information please visit the AusAID website: <http://www.ausaid.gov.au/>

³ Counterpart Funds are the surplus funds from Food and Structural Adjustment foreign currency support aid to secure payment of imports. These programs produce local currency surpluses that can be used for social development programs.

⁴ For additional information please visit the USAID website: <http://www.mip.org/>

⁵ For additional information please visit the IADB website:
<http://www.iadb.org/sds/mic/eng/index.htm>

NOTE UPDATE

February 18, 1998. Additional links to Donors...

- France (CFD): <http://www.cfd.fr>
- Germany (BMZ): <http://www.bundesregierung.de>
- Japan (JICA): <http://www.jica.go.jp>
- ILO: <http://www.ilo.org/public/english/65entrep/finance/index.htm>
- IDB: <http://www.iadb.org/sds/mic/eng/index.htm>

| CGAP Representative | Structure | Regions/Countries Of Operation | Instruments | Procedures |
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| BILATERAL DONORS | | | | |
| Australia International Policy and Ministerial Services Section Australian Agency for International Development - AusAID ² Mr. Kieran Donaghue AusAID GPO Box 887 Canberra ACT 2601 Australia Tel: 61-6-206-4610 Fax: 61-6-206-4613 | There is no focal unit for micro-finance at AusAID. Headquarters and local embassies conduct micro-finance activities. For fiscal year 1996/1997 AusAID's expenditure will total \$3.3 million. | <u>Africa</u> : Eritrea, South Africa, Tanzania, Zimbabwe <u>Asia</u> : Bangladesh, Cambodia, China, Indonesia, Laos, New Guinea, Philippines, Solomon Island, Sri Lanka, Thailand, Vietnam <u>Middle East</u> : West Bank Gaza | * Grants to MFIs and to Apex structures for technical assistance, capacity building and loan funds. | MFIs should apply at local embassies and at AusAID headquarters offices. |
| Belgium Belgium Administration for Development Cooperation - BADC Mr. Jean-Louis de Gerlache BADC Rue de Trone 4 1000 Brussels Belgium Tel: 32-2-500-6522 Fax: 32-2-500-6563 | There is no focal unit for micro-finance at BADC. A new policy on private sector development will be announced at the end of 1997 that might include a "mini-CGAP" unit at BADC. | <u>Africa</u> : Côte d'Ivoire, Kenya, South Africa, Tanzania <u>Asia</u> : Philippines, Thailand, Vietnam <u>Latin America</u> : Bolivia, Guatemala | * Grants to MFIs for training, capacity building and loan funds. * Grants to governments. * Grants to Belgian NGOs. | MFIs should apply to local embassies or to BADC in Brussels. Final approval is by BADC. |
| Canada The Canadian International Development Agency - CIDA Mr. Peter Mousley CIDA 200 Promenade du Portage | CIDA's operations in micro-finance are conducted through three structures: (i) Bilateral Programs Branch: The geographical branches (Africa and Middle East, Americas and Caribbean, Asia) have microenterprise specialists in both | Global | Bilateral Program: * Grants usually to governments, but grants can be provided to Canadian NGOs | Bilateral program: CIDA does not receive applications from MFIs directly at headquarters. MFIs identified in context of country program. Canada Fund: MFIs can |

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| <p>Hull, Québec K1A OG4 Canada Tel: 819-953-4155 Fax: 819-953-5348</p> | <p>country units and technical units. Microenterprise activities are conducted within the context of country programs defined between CIDA, client governments, and other stakeholders.</p> <p>(ii) Embassies: Local embassies can make decisions to fund small amounts for micro-finance through the Canada Fund.</p> <p>(iii) Partnerships Branch: Funding is available for micro-finance through Canadian institutions working in developing countries.</p> | | <p>and other partner organizations if agreed with the local government.</p> <p>Canada Fund: * Grants directly to MFIs and Apex organizations.</p> <p>Partnerships Program: * Grants to Canadian organizations.</p> | <p>submit an application up to \$35,000 to the local embassies. The Fund finances other activities, based on development priorities established in the field.</p> <p>Partnerships Program: Canadian organizations can submit a proposal to the Partnerships Branch. Organizations must share in the cost of the project. Local MFIs can submit applications to Canadian NGOs under this funding arrangement.</p> |
| <p>Denmark Danish International Development Assistance - DANIDA CGAP Coordinator DANIDA 2 Asiatisk Plads DK-1447 Copenhagen K Denmark Tel: 45-33-92-0000 Fax: 45-31-54-0533</p> | <p>There is no focal unit for micro-finance at DANIDA. Embassies are authorized to approve small programs up to \$0.5 million that may include micro-finance. Micro-finance is conducted as part of larger social development programs.</p> <p>DANIDA is currently preparing a micro-finance policy paper and an institutional action plan.</p> | <p><u>Africa</u>: Benin, Eritrea, Ghana, Kenya, Niger, South Africa, Tanzania, Uganda, Zambia, Zimbabwe</p> <p><u>Asia</u>: Bangladesh, Bhutan, Cambodia, India, Nepal, Thailand, Vietnam</p> <p><u>Latin America</u>: Bolivia, Nicaragua</p> <p><u>Middle East and North Africa</u>: Egypt</p> | <p>* Grants to governments that are passed on to MFIs as grants or loans.</p> <p>* Grants to local MFIs directly and to Danish NGOs.</p> | <p>MFIs can apply through local embassies that are authorized to fund proposals up to \$0.5 million. MFIs are also identified within the context of larger bilateral development assistance programs approved in Denmark.</p> |
| <p>Finland Ministry of Foreign Affairs Mr. Markku Malkamaki Department for International Development Cooperation</p> | <p>There is no focal unit for micro-finance at the Ministry of Foreign Affairs. A Sector Policy Advisor for micro-finance has recently been appointed and the Ministry is working on creating a structure for</p> | <p><u>Africa</u>: Eastern and Southern Africa</p> <p><u>Asia</u>: Nepal, Vietnam</p> | <p>* Grants to MFIs.</p> | <p>MFIs can apply at local embassies. Funds are provided to MFIs directly or as part of a bilateral country program.</p> |

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| Katajanokanlaituri 3 PB 176 00160 Helsinki Finland Tel: 358-91341-6420 Fax: 358-91341-6428 | micro-finance. | | | |
| France Ministère de la Coopération Française (CF) Caisse Française de Développement (CFD) Mr. Jean-Pierre Barbier Directeur Agence Française de Développement (AFD) 5, rue Roland Barthes 75598 Paris Cedex 12 France Tel: 33-1-53-44-3484 Fax: 33-1-53-44-3869 Ms. Marie-France L'Heriteau Directeur Agence Française de Développement (AFD) 5, rue Roland Barthes 75598 Paris Cedex 12 FRANCE Tel: 33-1-53-44-3356 Fax: 33-1-53-44-3869 | The CF in Paris is responsible for training, policy dialogue and communication with donors on micro-finance. CFD provides financing for MFIs through country divisions. CF and CFD priorities are institutional building (governments and MFIs). From 1987-1996, CFD funded projects worth \$80 million. | Africa: Burkina Faso, Cameroon, Central African Republic, Comoros, Congo, Côte d'Ivoire, Madagascar, Mali, Mauritania, Mozambique, Niger, Sao Tomé and Príncipe, Senegal <u>Asia</u> : Cambodia, Vietnam <u>Middle East and North Africa</u> : Morocco, Tunisia | * Grants to MFIs and governments. * Soft loans to MFIs and governments. * Market loans and equity to MFIs. | French NGOs can apply for funds through the NGO window at the CF in France. MFIs can apply at local CFD offices, but final approval is at the CFD office in Paris. Financing is provided directly to MFIs. |
| Germany Ministry of Economic Cooperation and Development - BMZ | BMZ has overall responsibility for general policies and strategies, country programs, financing and coordination of Germany's bi- and multilateral development programs. There are two executing | Africa: Botswana, Burkina Faso, Burundi, Côte d'Ivoire, Kenya, Mali, Mozambique, Namibia, Niger, South Africa, | * Technical assistance grants to MFIs and governments from GTZ. | For official bilateral assistance, client governments send applications for micro-finance projects to the German |

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| <p>Mr. Andreas Beckermann BMZ Dept. 410 Friedrich-Ebert-Allee 40 53113 Bonn, Germany Tel: 49-228-535-3234 Fax: 49-228-535-3755</p> <p><u>Executing Agencies:</u></p> <p>Society for Technical Cooperation - GTZ</p> <p>Kreditanstalt für Wiederaufbau - KfW</p> <p>German Investment Company - DEG</p> | <p>agencies for preparation and implementation of bilateral cooperation projects: GTZ for technical assistance and KfW for financial assistance. Additionally, DEG provides financing to MFIs.</p> <p>The portfolio of micro-finance projects currently under implementation totals \$150 million.</p> | <p>Uganda, Zimbabwe</p> <p><u>Asia:</u> Bangladesh, Cambodia, India, Indonesia, Mongolia, Nepal, Philippines, Sri Lanka, Thailand, Vietnam</p> <p><u>Latin America:</u> Bolivia, Brazil, Colombia, Dominican Republic, El Salvador, Honduras, Peru, Uruguay</p> <p><u>Middle East and North Africa:</u> Egypt, Morocco</p> | <p>* Grants and soft loans, to governments from KfW for onlending to MFIs.</p> <p>* Commercial equity capital to second-tier institutions through DEG.</p> <p>Other: Funding is also provided for policy reform; building networks or regional organizations; sector studies; innovative pilot programs; training; and MFI monitoring and information systems.</p> | <p>government through the local German embassy. The client government and BMZ select projects based on priorities.</p> <p>MFIs can submit applications to German NGOs (co-financing funds), or to German Savings Banks and the German Cooperative and Raiffeisen Associations for twinning arrangements.</p> |
| <p>Japan Overseas Economic Cooperation Fund - OECF</p> <p>Japanese International Cooperation Agency - JICA</p> <p>Mr. Tsuneo Nishida Ministry of Foreign Affairs via</p> | <p>There is no focal unit for micro-finance at the Ministry of Foreign Affairs. Financing for micro-finance is provided through:</p> <p>(i) Bilateral Aid loan financing delivered through OECF, and Counterpart Funds.³ Technical assistance delivered through JICA. Counterpart Funds are also created by JICA activities.</p> | <p>Global</p> | <p>Bilateral Aid: * Concessional loans to governments that pass them on to MFIs as loans and/or grants. * Technical</p> | <p>Bilateral Aid: Client government requests funds through local embassies. The government of Japan has final decision.</p> <p>Japanese NGOs apply to NGO window at the Ministry. NGOs in developing countries</p> |

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| <p>the Office of the Executive Director for Japan The World Bank 1818 H Street, NW MC12-315 Washington, DC 20433 United States Tel: 202-458-0098 Fax: 202-522-1581</p> | <p>(ii) Grants to Japanese NGOs and NGOs in developing countries are provided by the Ministry.</p> <p>(iii) Trust Funds placed within other international development organizations such as UNDP and IFAD.</p> <p>Other: Technical Assistance provided by JICA include volunteers (JOCV: Japan Overseas Cooperation Volunteers).</p> | | <p>assistance to governments.</p> <p>* Government's can chose to use Counterpart Funds as grants to MFIs.</p> <p>NGO Window: * Grants to Japanese NGOs of \$43,000-130,000.</p> <p>* Grants to Southern NGOs of less than \$487,000.</p> <p>Trust Funds: * Grants to MFIs and projects.</p> | <p>apply through the local embassies.</p> <p>Trust Funds: Procedures for MFIs for the following funds are:</p> <p>* UNDP/WID Funds: MFIs apply to local UNDP office.</p> <p>* IFAD/WID Funds MFIs apply to IFAD in Italy.</p> |
| <p>Luxembourg Mr. Marc Bischler Head Department for Development Cooperation Ministry of Foreign Affairs 6, rue de la Congregation L-1352 Luxembourg Luxembourg Tel: 352-478-2346 Fax: 352-222-048</p> | <p>The Department for Development Cooperation of the Ministry of Foreign Affairs has an overall competence to coordinate the ODA of the Luxembourg government. It serves as interface between the government and international organizations as well as between the government and NGO. The Ministry of Foreign Affairs manages around 80% of Luxembourg's ODA (+/- 90 million USD in 1998).</p> | <p><u>Africa:</u> Burkina Faso, Burundi, Cabo Verde, Mauritius, Namibia, Niger, Rwanda, Senegal, Tunisia</p> <p><u>Asia:</u> Laos, Vietnam</p> <p><u>Latin America:</u> Ecuador, Nicaragua, San Salvador</p> | <p>* Grants</p> <p>* Support to guarantee funds.</p> <p>* Loans for capitalization.</p> <p>* Financing of training seminars in Luxembourg.</p> <p>* Research, documentation</p> | <p>Bilateral cooperation: * Identification with national authorities in the target countries.</p> <p>* Formulation through the Ministry's executing agency Lux-Development with partners in the target countries.</p> <p>* Cooperation agreement with authorities in the target country.</p> |

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| | | | and information dissemination. | <p>* Realization under the surveillance of the executing agency Lux-Development.</p> <p>Multi-bi cooperation: *</p> <p>Privileged relations with some multilateral donors.</p> <p>* Identification of programs and projects by the multilateral partner together with the beneficiaries and according to Luxembourg's budgetary means, target countries and sectors of intervention.</p> <p>* Financing by Luxembourg.</p> <p>* Realization by the multilateral partner together with the beneficiaries.</p> <p>Cooperation with Luxembourg NGOs: *</p> <p>Identification by the NGO.</p> <p>* Formulation by the NGO according to set criteria.</p> <p>* Co financing by the Department for development cooperation up to 3/4 of the global project budget.</p> |
| <p>Netherlands Ministry of Foreign Affairs Mr. Mark van der Voet</p> | <p>There is no central unit on micro-finance within the Ministry of Foreign Affairs. Activities are decentralized to the country</p> | <p><u>Africa</u>: Kenya, South Africa, Tanzania <u>Asia</u>: Bangladesh, India,</p> | <p>* Grants to MFIs and Apex organizations.</p> | <p>MFIs should contact local embassies that identify, fund and monitor investments,</p> |

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| <p>International Development Banks Section Ministry of Foreign Affairs Bezuidenhoutseweg 67 PO Box 20061 2500 EB The Hague Netherlands Tel: 31-70-348-5258 Fax: 31-70-348-5956</p> | <p>level. Approximately 80% of funding to MFIs is channeled through the four Dutch NGOs: HOVIB, NOVIB, ICCO, BILANCE.</p> | <p>Vietnam <u>Latin America</u>: Costa Rica, Honduras, Peru <u>Middle East and North Africa</u>: Egypt</p> | | <p>where it fits within the country development assistance policy.</p> |
| <p>Norway Royal Ministry of Foreign Affairs Norwegian Agency for Development - NORAD Ms. Anne Hermansen Royal Norwegian Ministry of Foreign Affairs P.O. Box 8114 DEP 0032 Oslo Norway Tel: 47-22-243-994 Fax: 47-22-243-790 Mr. Parvez Kapoor Norwegian Agency for Development Cooperation (NORAD) Technical Department Tollbugata 31 P.B. 8034, Dep. N-0030 Oslo NORWAY Tel: 47-22-31-4400</p> | <p>Both the Royal Ministry of Foreign Affairs and NORAD have responsibility for micro-finance. The Royal Ministry is the policy making body and NORAD is the operational arm that provides support to a developing country. NORAD's activities in micro-finance are decentralized and are often handled at the field level. Micro-finance is part of larger social development programs. Norway is planning to establish a "mini-CGAP" with Norwegian NGOs.</p> | <p><u>Africa</u>: Angola, Eritrea, Ethiopia, Uganda <u>Asia</u>: Bangladesh, India, Nepal, Sri Lanka, Vietnam <u>Latin America</u>: Guatemala, Nicaragua</p> | <p>* Grants to MFIs.</p> | <p>Southern MFIs apply through local embassies. Norwegian NGOs can apply to the NGO unit of the Ministry in Norway.</p> |

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| Fax: 47-22-31-4401 | | | | |
| Sweden Swedish International Development Cooperation Agency - SIDA Ms. Camilla Bengtsson SIDA Sveavagen 20 S-105 25 Stockholm Sweden Tel: 46-8-698-5000 Fax: 46-8-249-290 | <p>There is no focal unit for micro-finance at SIDA. Most micro-finance activities are decentralized to the country level.</p> <p>Micro-finance is part of a larger social development program. SIDA is preparing a policy on micro-finance and is planning to create a "mini-CGAP" in partnership with Swedish NGOs.</p> | <p>Emphasis on Eastern and Southern Africa</p> | <p>* Grants and loans to MFIs.</p> | <p>MFIs should apply to SIDA offices at local embassies. Final approval for funding is done by SIDA in Sweden.</p> |
| Switzerland Swiss Development Corporation - SDC Ms. Kathryn Imboden SDC Eigerstrasse 73 CH-3003 Berne Switzerland Tel: 41-31-322-3436 Fax: 41-31-324-8741 | <p>Micro-finance activities are conducted by SDC at headquarters and in country offices. SDC spends \$17 million a year for micro-finance. SDC's new focus is on MFI capacity building.</p> <p>Other: SDC also funds studies, networks, study tours, policy dialogue and savings.</p> | <p><u>Africa</u>: Benin, Burkina Faso, Mali, Rwanda, Tanzania</p> <p><u>Asia</u>: Bangladesh, India, Pakistan</p> <p><u>Eastern Europe</u>: Albania, Kyrgystan</p> <p><u>Latin America</u>: Bolivia, Peru, Nicaragua</p> | <p>* Grants and soft loans to MFIs for training, capacity building, operating costs, loan funds, and guarantee schemes.</p> | <p>MFIs should apply to local embassies or local SDC offices that prepare the project document within the context of existing country level sector strategy. The SDC country desk in Switzerland approves the document.</p> |
| United Kingdom Department for International Development - DFID Mr. David Wright DFID 94 Victoria Street London SW 1E 5JL United Kingdom Tel: 44-171-917-0263 Fax: 44-171-917-0797 | <p>The Enterprise Development Group is comprised of seven professionals in DFID in London, six attached to Regional Development Divisions in Kenya, South Africa and Zimbabwe and two in Bangladesh and India.</p> <p>Regional offices have a considerable degree of delegated authority and are responsible for managing DFID's bilateral country programs.</p> | <p><u>Africa</u>: 19 programs (Eastern and Southern)</p> <p><u>Asia</u>: 16 programs</p> <p><u>Eastern Europe</u>: 5 programs</p> <p><u>Latin America</u>: 1 program</p> | <p>Bilateral Programs: * Grants to MFIs for technical assistance and capitalization.</p> <p>Joint Funding Scheme: * Grants to UK NGOs operating</p> | <p>Bilateral Programs: MFIs should apply to DFID regional or country offices.</p> <p>Joint Funding Scheme: MFIs should apply through a UK NGO that will send applications to DFID office in Scotland.</p> |

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| | <p>Funding is provided through bilateral programs and the Joint Funding Scheme operated out of Scotland that provides funds to UK NGOs in developing countries. Between 1990 - 1996, DFID committed \$100 million to micro-finance.</p> <p>Other: Activities of headquarters' enterprise staff include: research on MIS, impact assessments, analysis on supervision and regulation; training for donors and European NGOs.</p> | | in developing countries that provide assistance to MFIs. | |
| <p>United States United States Agency for International Development - USAID Ms. Kate McKee USAID 1400 Pennsylvania Ave., NW Washington, DC 20523 Tel: (202) 712-5578 Fax: (202) 216-3228</p> | <p>A central Micro enterprise Unit was created in 1994 at the United States Agency of International Development⁴ (USAID) in Washington, DC to develop a focused strategy for micro-finance.</p> <p>The Micro enterprise Unit has a program budget of \$25 million a year to finance MFIs through the Competitive Grant program (\$12 million) and to do research through the Action Research Program on micro-finance best practices, and the impact evaluation study, AIMS.</p> <p>USAID offices at country levels also conduct micro-finance. USAID in general spends approximately \$120 million a year for micro enterprise support of which 75% is for micro-finance.</p> | Global | <p>* Grants to US or international Private Voluntary Organizations (PVOs/NGOs).</p> <p>* Grants to developing country MFIs from local USAID offices.</p> | <p>US NGOs should apply to the Micro enterprise Unit for the Competitive Grant program. Developing country NGOs may also apply in partnership with US NGOs.</p> <p>Developing country MFIs can apply to regional or national USAID offices.</p> |
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| African Development Bank - AfDB | The African Development Bank's Board of Directors has approved the creation of | Africa | The proposed unit would | Still to be defined. |

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| <p>Mr. Abdirahman Beileh AfDB 01 B.P. 1387 Abidjan 01 Côte D'Ivoire Tel: 22-5-20-4444 Fax: 22-5-20-4907</p> <p>Mr. James L. MacDade Coordinator AMINA Micro finance Program African Development Bank B.P. 01 1387 Abidjan CÔTE D'IVOIRE Tel: 22-5-20 5743 Fax: 22-5-20 5972</p> | <p>a small unit within the Operations Vice Presidency that would act as a "mini-CGAP" called the African Development Fund Micro-finance Initiative for Africa (AMINA).</p> | | <p>provide loans, loan guarantees and grants to MFIs.</p> | |
| <p>Asian Development Bank - AsDB</p> <p>Mr. Kazi F. Jalal AsDB 6 ADB Avenue PO. Box 789 1099 Manila Philippines Tel: 623-623-444 Fax: 623-741-7961</p> | <p>There is no focal unit for micro-finance at AsDB.</p> <p>Micro-finance is conducted in Regional Agriculture and Social Sector Departments.</p> <p>The Social Development Division is the thematic focal point in the Bank for micro-finance. AsDB has put together an inter-departmental task force to prepare an institutional action plan for micro-finance.</p> | <p>Asia and Pacific</p> | <p>* Grants and soft loans to governments. Funds are then onlent to MFIs for capacity building and loan funds.</p> | <p>No application process for MFIs. Projects identified by a programming exercise between the client government and AsDB.</p> |
| <p>European Commission - EC</p> <p>Mr. Sean Colin EC Directorate General VIII Evergreen Building,</p> | <p>There is no focal unit for micro-finance at the EC. DG8 is the most active (regions: Africa, Caribbean and Pacific - ACP) and assistance for micro-finance is provided as part of the poverty and human resource development program. The</p> | <p>New projects are being designed in Kenya, South Africa, Zambia in Africa and Guyana, Trinidad, and Jamaica in the Caribbean. There are some small</p> | <p>* Grants to governments that could be passed to MFIs.</p> | <p>No application process for MFIs. Projects designed at the field level by EC and government in the context of a five-year program.</p> |

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| Office 7/52 rue de Genève 12, 1140 Brussels Belgium Tel: 32-2-296-5159 Fax: 32-2-299-2911 | three units in DG8 engaged in micro-finance are: Social and Human Development (policy work); Private Sector (operational work); Decentralized Cooperation and NGOs. DG8 has invited EC members to form an expert group on micro-finance in October 1997. | initiatives in Albania, Hungary, Bosnia, Romania. | | |
| Inter-American Development Bank - IADB Ms. Marguerite Berger IADB 1300 New York Avenue, NW Washington, DC 20577 United States Tel: 202-623-2410 Fax: 202-623-2307 | IADB Board recently approved a Micro enterprise Development Strategy for the next five years. The Micro enterprise Unit at IADB coordinates all micro enterprise operations. Regional operations departments and country offices are responsible for financing MFIs. Other: ⁵ Activities of the Micro enterprise unit include: (i) Best practice and research on rural finance, regulatory framework, micro-finance and poverty, performance standards for MFIs, and business development services. (ii) Policy dialogue. (iii) Technical cooperation. (iv) Training (a regional micro-finance training center is being proposed). | Latin America and the Caribbean | Multilateral Investment Fund: * Grants, loans and equity to MFIs directly for policy reform, training, technical assistance, guarantee funds and micro enterprise development projects (both financial and business development services). * Global loans to governments for onlending to formal financial institutions providing loans of less than \$1,200. Small Projects | Multilateral Investment Fund: Application to MIF at headquarters. Global loans: National government and select participating institutions. Information on global loans can be obtained from IADB country offices. Small Projects Program: Application through country offices. |

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| | | | Program: * Grants and loans to NGOs and MFI-NGOs targeting marginal groups. | |
| International Fund for Agricultural Development - IFAD Mr. John Caracciolo Via del Serafico, 107 00142 Rome Italy Tel: 39-6-5459 2450/2451 Fax: 39-6-5191 702 Mr. Abdelmajid Slama IFAD Via del Serafico, 107 00142 Rome Italy Tel: 39-6-54591 Fax: 39-6-5043463 | There are micro-finance focal points in each Regional Division, Technical Advisory Division, and Office of Evaluation and Studies. | Global | * Grants to MFIs directly through the "extended cooperation grants (NGO/ECP)" for innovative pilot operations not exceeding \$75,000. * Technical assistance grants not exceeding \$1 million for research and training provided through regional Apex structures. * Loans to governments that pass it on to MFIs on terms defined by government. | NGO/ECP grants: MFI should submit proposal to regional division at IFAD in Italy. Technical assistance grant: MFI should submit application to the regional division at IFAD in Italy. Lending program: Projects are identified during project design missions in collaboration with client governments. |
| International Labour Office - ILO Mr. Berndt Balkenhol | Work on micro-finance is coordinated by a focal point in the Social Finance Unit at ILO. Area offices and multi-disciplinary teams are involved in micro-finance in | <u>Africa:</u> Madagascar, West Africa regional initiative, Zimbabwe | * Technical Assistance (short-term advisory services | MFIs should contact local ILO offices. |

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| <p>ILO 4, route des Morillons CH 1211 Geneva 22 Switzerland Tel: 41-22-799-6070 Fax: 41-22-799-7691</p> | <p>connection with programs targeted at poverty alleviation, job creation and social integration.</p> <p>Other: ILO also conducts Action Research, disseminates information through data banks, and provides training that includes courses at the Turin Center in Italy.</p> | <p>Asia: Cambodia, New Guinea, Southeast Asia regional initiative, Subcontinent regional initiative</p> <p><u>Latin America</u>: Central America regional initiative, Haiti</p> | <p>and long-term capacity building) to Apex and intermediary institutions by ILO staff.</p> <p>* Grants for seed capital.</p> | |
| <p>United Nations Capital Development Fund - UNCDF</p> <p>Mr. Paul Grosen UNCDF One United Nations Plaza DC2-2601 New York, NY 10017 Tel: 212-906-6118 Fax: 212-906-6929</p> <p>United Nations Development Program - UNDP</p> <p>Mr. Henry R. Jackelen UNDP One United Nations Plaza, UH-821 New York, NY 10017 United States Tel: 212-906-3644 Fax: 212-906-3655</p> | <p>Micro-finance activities are conducted through the following mechanisms:</p> <p>(i) Network of country offices have primary responsibility for programming, with technical support from SUM.</p> <p>(ii) UNCDF Funding in LDCs with focus on concentration countries.</p> <p>(iii) In addition, a pilot program, Micro-Start will work in 25 countries with 5-7 startups.</p> | <p>(i) Global</p> <p>(ii) Only LDCs</p> <p>(iii) All Regions, 25 countries in process of selection.</p> | <p>* Micro capital grants up to \$50,000 per organization within context of Technical Assistance program.</p> <p>* Loans, loan guarantees grants (no pre-set limit).</p> <p>* Micro capital grants up to \$150,000 per organization with technical assistance from an experienced MFI.</p> | <p>(i) Application to country office. Programming on a three to four year cycle with government.</p> <p>(ii) Programming decided by UNCDF jointly with UNDP and government.</p> <p>(iii) Application to participating country offices.</p> |
| <p>United Nations Conference on Trade and Development - UNCTAD</p> | <p>Micro-finance activities are conducted within the Services, Infrastructure and Trade Efficiency division (SITE). SITE</p> | <p>SITE has contacted over 300 MFIs in Latin America, Asia and 30 proposals</p> | <p>The Private Fund provides short to medium debt</p> | <p>MFIs should apply directly to SITE for the Private Fund; criteria for MFIs: \$2 million in</p> |

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| <p>Ms. Massi Sahami-Malmberg UNCTAD Palais des Nations CH-1211 Geneva 10 Switzerland Tel: 41-22-917-5537 Fax: 41-22-907-0052</p> | <p>provides support to a \$20 million Private Fund for micro-finance that is managed by AXA insurance company (France) and financed by the Bank International de Luxembourg and other private institutional investors. It manages a small consultant fund of \$150,000 per year to conduct research for the Private Fund and to identify MFI candidates.</p> | <p>have been submitted.</p> | <p>(promissory and security notes).</p> | <p>assets, three years in operation, profitable.</p> |
| <p>World Bank Group Mr. Ismail Serageldin CG Chairman Mr. Ira Lieberman The World Bank 1818 H Street, NW Washington, DC 20433 United States Tel: 202-473-9594 Fax: 202-522-3744</p> | <p>Micro-finance activities are conducted within the World Bank Group through the following mechanisms:</p> <p>(i) Lending and non-lending operations with governments.</p> <p>(ii) Research initiatives - Action Research Program in Africa, and Sustainable Banking for the Poor.</p> <p>(iii) International Finance Corporation (IFC) finances MFIs directly.</p> <p>(iv) The Regulatory Reform and Private Enterprise Division at the Economics Development Institute that conducts training in micro-finance for practitioners and policy makers.</p> | <p>Global</p> | <p>Lending and non-lending operations: * Loans to governments that are passed on to MFIs as grants or loans, usually via Apex facilities established by the government. * Policy Reform, capacity building, and technical assistance for governments and local institutions. * Research. * Limited grant funds available under project preparation for pilot operations. Limited grants under CGAP</p> | <p>Lending operations: Projects identified in collaboration with client governments and must be part of country assistance strategy. IFC: MFIs inquire at IFC local or headquarters offices, or are identified by an investment officer on field visits.</p> |

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| | | | (see under CGAP below). * IFC: Loans and equity to mature MFIs. | |
| MULTI-DONOR | | | | |
| Consultative Group to Assist the Poorest - CGAP Ms. Joyita Mukherjee CGAP 1818 H Street, NW Room Q4-022 Washington, DC 20433 United States Tel: 202-473-9594 Fax: 202-522-3744 | CGAP is a small unit housed in the Finance and Private Sector Development Vice Presidency of the World Bank with multiple functions, one of which is managing a \$32 million fund for MFIs. | Global | * Grants to MFIs directly and to networks of practitioners. * Best practice literature and industry tools. * Policy Reform. | MFIs can submit applications to the CGAP Secretariat using the CGAP application form. Eligibility criteria include: More than 3,000 very poor clients, of which at least 50 percent are women. * Operationally self-sufficient and on the path to full financial self-sufficiency. * On the path towards mobilizing domestic commercial resources. |